



## Memorandum

**To:** City Council  
**From:** Ben Cowan  
**Date:** 7/12/2016  
**Re:** Capital Improvement Plan Prioritization

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During a discussion with incoming City Manager, Russ Forrest, we discussed the lack of prioritization in the Capital Improvement Plan (CIP). He asked for me to make an attempt at establishing a method to prioritize the projects that are contained in the plan.

It is important to note that the CIP is simply a tool to identify funding availability and impending shortages, as well as a tool for establishing a priority ranking for planned projects. The plan is NOT an appropriation of funding for any projects. The CIP lists are updated annually as new needs become known and as priorities are changed. Therefore, it is entirely possible that a project with a low priority will remain in the CIP for many years, as more important projects appear and move ahead for quick implementation. On the other hand, a project may be implemented sooner than originally planned due to changing priorities or funding availability.

The proposed rationale for scoring each proposed project will help determine the relative importance of one project over another in a systematic way. The method was originally developed by the U.S. Forest Service, further refined over the years.

### Weight Factor Determination

The weighted score will be assigned to each criterion by measuring each criterion against every other criterion. When one criterion is more important than another it is assigned a point. The criteria with the most points are given the highest weight. See the table and the following discussion demonstrating how the criteria are given a weight score.

#	Criterion	Weight Factor
1	Does the project meet a need with which a maximum number of citizens can identify?	5
2	Does the project result in maximum benefit to the community from the investment dollar?	4
3	Does the project conserve energy and/or provide a positive environmental impact?	3
4	Does the project require speedy implementation in order to assure its success of maximum effectiveness?	2
5	Does the project relate specifically to other existing or proposed programs?	1

Each criterion is compared to all criteria below:

**1/2-5:** As with all levels of government, meeting a need with the tax dollar with which a maximum number of citizens can identify, is more important than all other criteria. (Criterion 1 takes priority over all others)

**2/3:** The cost/benefit ratio is more inclusive and more tangible than is whether the project conserves energy and environmental sustainability. (Criterion 2 takes priority over 3)

**2/4:** The cost/benefit ratio is a more inclusive measure of success than speedy implementation. (Criterion 2 takes priority over 4)

**2/5:** Maximum benefit to the community is more important than whether the project relates specifically to other programs. (Criterion 2 takes priority over 5)

**3/4:** Conservation of energy and environmentally responsible practices in projects is more important than speedy implementation to assure success. (Criterion 3 takes priority over 4)

**3/5:** Energy conservation and environmental responsibility are more critical than how the project relates to other programs. (Criterion 3 takes priority over 5)

**4/5:** Coordination of programs is less important than speedy implementation. (Criterion 4 takes priority over 5)

### Rationale for Score Amplification

After determination of the preliminary score for each project, the score is multiplied by a factor to complete the weighting system and establish a total score and final, calculated priority. For instance, if two projects receive the same score based on the weighted criteria, a project that is legally required should take precedence over a project that is not legally required. The amplification process accomplishes this goal. Unlike the rationale for measures each criterion against every other criterion, the amplification factors apply to the project as a whole. If any of the final four criteria questions are checked "yes", the entire weighted score established using the procedures above are "amplified" (this is done by multiplying the weighted score by the amplification rate) as follows:

#	Criterion	Amplification Factor
6	Does the project directly relate to the City Council's stated strategic priorities?	6%
7	Is the project necessary to meet legal requirements or regulations?	5%
8	Does the project provide for and/or improve public health and/or safety?	4%
9	Is the project necessary to fulfill a contractual obligation?	3%

## Project Criteria

The following are the criteria expressed as more detailed questions:

1. Does the project meet a need which a maximum number of citizens can identify? Many services or facilities are requested by individual citizens and citizen's groups. Have requests for the project been made at public hearings or forums or before the City Council? Has the need to be filled by the project been the subject of frequent citizens' complaints? Tax dollars should always be used with an awareness of those citizen desires in mind.
2. Does the project result in maximum benefit to the Community from the investment dollar? This criterion is particularly important during periods of high inflation. Buying land now for future projects, for example, can result in overall savings. This criterion also applies to the replacement or renovation of obsolete and inefficient facilities which will result in substantial improvement in services to the public at the least possible cost. This criterion should be applied to all projects.
3. Does the project conserve energy and/or provide positive environmental impact? Energy improvement and environmentally sustainable projects are becoming increasingly more important. Often, these projects can be justified in terms of dollar savings in terms of efficiency.
4. Does the project require speedy implementation in order to assure its success or maximum effectiveness? There may be a time limitation on providing a local funding share in order to receive a State or Federal grant. There may be other reasons why time is of the essence in the success or failure of a project. If the time factor is critical, explain why.
5. Does the project relate specifically to other existing or proposed programs? A project that relates to other projects or that provides services related to other services should receive a higher rating.
6. Does the project directly relate to the City Council's stated strategic priorities? Does this project need to take place in order to execute declared strategic results?
7. Is the project necessary to meet legal requirements or regulations? This includes Federal, State or local legal requirements, or projects mandated by Court Order.
8. Does the project provide for or improve public health or safety? This criterion should be answered "no" unless public health or safety can be shown to be an urgent or critical factor.
9. Is the project necessary to fulfill a contractual requirement? Has the City formally agreed to pursue the project according to an agreement with another entity? This includes Federal or State grants, which require local participation.

**Council Direction**

The above suggested prioritization model is simply an illustration of a possibility of the relationships between the listed criteria. The results of such a prioritization model can be presented in a matrix similar to the below example:

CAPITAL IMPROVEMENT PLAN		CRITERIA											RANK BY TOTAL SCORE
		1	2	3	4	6	Total Weighted Score	8	9	10	11	Total Amplified Score	
		Maximum Citizen Identification	Community Cost/Benefit	Environmental Conservation/Impact	Requires Speedy Implementation	Existing Program Relationship		Legally Required	Public Health/Safety	Council Strategic Priority	Contract Obligation		
PROJECT PRIORITIZATION	FISCAL YEAR 2017	Weight Factors					Amplification						
		5	4	3	2	1	6%	5%	4%	3%			
PROJECT	YEARS	5	4	3	2	1	Total Weighted Score	6%	5%	4%	3%	Total Amplified Score	RANK BY TOTAL SCORE
Project A	Prior-2017	4	4	4	3	4	58	X	X	X		66	1
Project B	2017	3	4	1	4	4	46					46	2
Project C	2017-2021	3	3	2	2	4	41		X			43	3
Project D	2020	2	4	2	2	4	40		X			42	4
Project E	2017	3	3	2	2	3	40	X				42	4
Project F	2017-Future	4	2	2	1	3	39		X			41	6

A copy of the modified project request form is also attached to this memo.

**Please review the weight factors for each criterion and adjust as necessary.**



**CAPITAL IMPROVEMENT PLAN  
PROJECT REQUEST FORM  
2017-2021**

<b>1. Department:</b>		<b>2. Project Title:</b>			<b>3. Submitted by:</b>		
<b>4. Site Requirement:</b>		<b>5. Project Description (specifications):</b>					
<b>6. Check One:</b>		<b>7. Justification (include cost/benefit and consistency w/ City goals, plans, policies):</b>					
Replacement <input type="checkbox"/>							
New <input type="checkbox"/>							
Upgrade to Existing <input type="checkbox"/>							
<b>8. Total Project Cost and Schedule:</b>							
		Year					
<b>Phase</b>	<b>Prior Yrs</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Future</b>
Land Cost							
Architectural/ Engineering							
Construction							
Permits							
Utilities							
Furnishing							
Acquisition/ Purchase							
Other Costs							
<b>Annual Totals</b>							
<i>Comments:</i>						<b>Grand Total</b>	

